



Summer 2007

Presentation to
Indiana Utility Regulatory Commission
May 30, 2007

Mike Mooney
Manager, Corporate Planning

System Peak

- **Summer 2006 – 1,366 MW**
 - ✓ HE 1700 on July 31
- **Summer 2005 – 1,357 MW**
 - ✓ Summer 2005 was slightly warmer than normal
- **Summer 2001 – 1,045 MW**
 - ✓ 321 MW increase or 6.1%
 - ✓ 212 MW increase or 4.1%, if new member is excluded
- **Energy Consumption since 2001**
 - ✓ Increase 5.6% with new member
 - ✓ Increase 3.7% without new member

2007 Projected Peak (MW)

Forecast Load	Jun	Jul	Aug
Minimum		1,262	
Mean	1,261	1,399	1,392
Maximum		1,440	

Min and Max are based upon historical monthly load factors.

Projected Resources (MW)

Resource	Jun	Jul	Aug
Merom*	600	600	600
Ratts*	194	194	194
Worthington	174	174	174
Lawrence County	172	172	172
L-T Purchase	100	100	100
L-T Purchase	100	100	100
Forward	50	200	200
Options	<u>0</u>	<u>50</u>	<u>50</u>
Total Resources	1,390	1,590	1,590

* Net of unit power sales

Projected Capacity Factors

<u>Resource</u>	<u>July 2006</u>
L-T Purchases	100%
Baseload	85%
Forwards	45%
Peakers	8%
Options	12%

Transmission & Substations

2007 Projects

- Continued investment for growth and reliability
- Decatur County Switch Station - Honda
- 2 new primary substations - Owensville and Sandborn
- 4 new/upgraded distribution substations
- 34 miles of new 69kV Transmission
- Upgrading microwave system to digital (north loop)

Risk Management Strategies

- **Unit Contingent Insurance**
- **Cooling Towers at Ratts**
- **Summer Preparation Outages**
- **Commodity Risk Management**

Midwest ISO

- **Unit Commitment has improved**
- **High RSG and RNU costs**
- **Ancillary Services Market concerns**